James C. Morriss, III Thompson & Knight LLP 1900 San Jacinto Center 98 San Jacinto Boulevard Austin, Texas 78701-4081

RE: Gulfco Marine Maintenance Superfund Site in Freeport Texas

Dear Mr. Morriss:

This letter is in response to your January 16, 2008 approach to clean up the soils, sediment, and surface waters on the southern portion ("southern area") of the Gulfco Marine Maintenance Superfund Site ("Site") prior to the completion of the Remedial Investigation and Feasibility Study ("RI/FS") currently being conducted by your client under an Unilateral Administrative Order ("UAO").

The Environmental Protection Agency ("EPA") is willing to negotiate a removal action under an Administrative Order on Consent ("AOC") for the above ground storage tanks soils, sediment, and surface waters on the southern portion of the Site. EPA is not proposing to enter into open-ended negotiations of an AOC. The draft Removal AOC (see enclosure) is boiler-plate language containing requirements to pay past costs as well as future oversight costs relating to the removal action and will require little to no editing.

Any agreed upon removal action will continue alongside the obligations required under the UAO for RI/FS. In addition to the removal, you may also wish to perform an early RI/FS for the southern area that conforms to the requirements of the UAO. Because a southern area early RI/FS would be done outside of the UAO, it would not trigger any UAO performance requirements. EPA agrees to review an early southern area RI/FS, and further, with an EPA finding that it conforms to the UAO requirements, EPA will accept it as satisfying the UAO requirements for the southern area.

The removal action in conjunction with the early southern area RI/FS will serve as the basis for the Record of Decision for the southern area, which . The southern area portion of the Site can be deleted upon successful completion of all appropriate response actions. This approach will allow early reuse and redevelopment of the southern area while the RI/FS is continuing for the rest of the Site.

The EPA is firmly committed to quickly cleaning up of the entire Gulfco Site in order to delete it from the NPL. To that end, EPA is entertaining your proposal to conduct a removal action for the soils on the southern portion of the Site. I am enclosing a draft removal AOC outlining the removal actions to be performed on the southern portion of the Site. If you have any questions, please contact Barbara Nann, Gulfco Site attorney at 214-665-2157.

Sincerely yours,

Samuel J. Coleman, P.E. Director Superfund Division

Enclosure